

REMARKS

Claims 1-5, 7-13, 15-29, 31-32, 34-42 and 44-48 are currently pending. In the Office Action, claim 42 was rejected under 35 U.S.C. §112, second paragraph, claims 1-3 and 26-28 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves (6,575,361) in view of Teicher (6,065,675), claims 4-12, 29, 31 and 32 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher and O’Leary (6,609,113), claims 13, 15-21, and 34-36 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher and O’Leary in further in view of Demoff (6,456,984), and claims 22-25, 37-42, and 44-48 were rejected under 35 U.S.C. §103(a) as being unpatentable over Graves in view of Teicher, O’Leary, Demoff and Cohen (6,505,171).

Applicant maintains traversal of the 35 U.S.C. §112, second paragraph, rejection of claim 42, but nonetheless amends claim 42 in a best attempt to remove this rejection.

It was stated in the Office Action that the preamble of claim 42 recites “A charge number issuing and processing system” and “an issuing and transaction system” and that such is not in agreement with the body of the claim. It was further stated that it was unclear whether Applicants have an “issuing and transaction system” or “a charge number issuing and processing system.” And the Examiner further references the prior claims sets of independent claims 1 and 26. Applicant submits that claim 42 is a different and independent claim set relative to the claim sets of claims 1 and 26 and that Applicant should be entitled to different claim language within the scope of the present invention.

For purposes of expediency, the preambles of claims 42 and 44 – 48 are amended to recite “A charge number issuing and processing transaction system” in an attempt to

conform these claims with the prior claim sets of claims 1 and 26. Applicant requests withdrawal of this rejection.

The attorney of record, Gary Stanford, and another representative of Applicant, inventor Mr. Roy Sosa, met with several Examiners, including Examiner Colbert, on Tuesday, July 18, 2006 at the Patent and Trademark Office (PTO) to discuss the present application along with several other related applications. Although there were no particular agreements that were reached in the instant case, the inventor Roy Sosa presented and described operation of a stored-value card in accordance with the Graves' system supported by E-2 Interactive, Inc., who is the Assignee of the Graves patent.

The attorney of record, Gary Stanford, also spoke with Examiner Colbert via telephone on Thursday, July 27, 2006 regarding the present application. Applicant stated that the claims do not include the word "card" and that instead the claims concern providing valid charge numbers to users via an electronic communications network, such as the Internet or by telephone or the like. And Applicant noted that the primary references used for sustaining the rejections, namely Graves and Teicher, are card-based methods or systems that do not provide a valid charge number in response to a request via an electronic communications network. The Examiner also noted that the "issuing and transaction system" language throughout the method claims 1 – 5 and 7 – 25 might be considered improper and Applicant agreed to delete the system language in the method claims.

Many of the claims are amended in accordance with that discussed in the PTO meeting and the telephonic interview for purposes of clarity. All of the "issuing and transaction system" language is removed from the method claims. Claim 1 is further

amended to recite more specific language regarding each valid charge number received from an issuing bank. In particular, claim 1 is amended to recite that “each valid charge number is acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions.” This amendment is supported in the application as filed on page 5, lines 4 – 8, which states that “[t]he charge numbers are valid in that they are in the same format as universally-accepted credit or debit numbers such as those commonly used or licensed by VISA, MasterCard, American Express, Discover, etc.” And further it is state that “[i]n this manner, the user does not need to provide a credit card to purchase goods or services either online or by phone.” Claim 1 is further amended for clarity to move the “establishing” element to earlier in the claim since such would generally be performed prior to detecting a request by a user for a valid charge number. It is noted that there are several methods described in the Application for establishing a prepaid cash account (for example, see description from page 15, line 11 to page 16, line 15). The “selecting” element is amended to recite an “associating” element in which a valid charge is associated with the prepaid cash account that was established. Claims 2, 3, 5, 7, 12, 13, 16, 17, 18, and 25 are amended to replace “selected” with “associated” in accordance with amended claim 1. Claim 12 is further amended to remove reference to “a switch network.” Claim 13 is amended to include a “valid charge number issuer” as certified processor of the valid charge numbers.

Independent claim 26 is amended for clarity to recite that “each of the plurality of valid charge numbers is acceptable any entity that accepts valid charge numbers that are provided to and routed by a charge settlement network for validating transactions” for

similar reasons noted above with respect to claim 1. Claim 31 is amended to correct an antecedent basis problem by reciting “the” charge settlement network introduced in claim 26.

Independent claim 42 is amended for clarity to recite that “each of the plurality of valid charge numbers is acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions” for similar reasons noted above with respect to claim 1.

Applicant respectfully requests approval of these amendments.

Applicant respectfully traverses the §103(a) rejection of claims 1-3 and 26-28 based on Graves in view of Teicher.

Claim 1 recites a method of *issuing* and transacting charge numbers using an electronic communications network. In the method of claim 1, a plurality of valid charge numbers from an issuing bank are received and stored. Each valid charge number is acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions. A prepaid cash account is established for a user in exchange for cash. A request is detected by a user *via the electronic communications network* for a valid charge number, one of the valid charge numbers is associated with the prepaid cash account, and the associated valid charge number is provided to the user *via the electronic communications network* in response to the request. In other words, a valid charge number is associated with a prepaid cash account and provided via the electronic communications network (either to a user or a merchant or the like) in response to the user’s request submitted through the electronic communications network.

In contrast, Graves does not show valid charge numbers as recited in claim 1 that are acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions.

During the PTO meeting, Mr. Sosa presented a phone card supported by E-2 Interactive, Inc., the Assignee of the U.S. Patent 6,575,361 invented by Graves et al (referred to herein as “Graves”). And Mr. Sosa proceeded to compare and contrast prepaid cash cards sold by Applicant with the stored-value cards shown and described in Graves. Applicant first provides a brief synopsis of Graves in accordance with that discussed in the PTO meeting as well as further details from the Graves disclosure.

In accordance with that described in Graves, a user is able to purchase a stored-card to allow the user to pre-purchase a particular good or service offered by a particular card issuer merchant. Graves provides several examples of prepaid services that may be accommodated by the stored-value data, including long distance telephone communication, wireless communication, paging and internet-enabled communication services, including wireless Web access, gift cards, prepaid gas cards, prepaid grocery cards, prepaid entertainment cards, customer rewards cards and any other type of stored-value cards for products, services, or both, that may be prepaid by the owner of the card. (Col. 1, lines 22 – 32). Graves provides an example of phone services, such as long distance calling time (see Graves col. 1, lines 33 – 36). The “traditional” prepaid phone card includes an identification number, which is also stored in a file in a database maintained by the “card issuer” (Graves col. 1, lines 44-52). The card issuer is the company sponsoring the card to sell the goods or services, such as a grocery store, a gas company, a phone company, or any other company providing prepaid cards for selling

their products (see Graves col. 1, lines 15 – 32). The cards are sent to a retail location and sold. To use a phone card, according to the Graves disclosure, “the customer dials a toll free number to access *the card issuer’s system*, enters the identification number, and then makes the desired long-distance call.” (Graves col. 1, lines 52 – 55, emphasis added). Graves found several disadvantages with such “prior art prepaid phone card systems” among other types of prepaid cards as well as then existing attempts to alleviate such deficiencies (described in Graves col. 1, line 63 – col. 2, line 31). In brief, the cards lacked a desired level of security, and could be easily stolen by a thief and used.

As described in Graves’ Summary (col. 2, line 34 – col. 3, line 64), Graves describes a system for *managing* stored-value card data over a communications network between a plurality of terminals and a central processor. The terminals are accessible to respective users (located in available locations) that are generally remote relative to the central processor (col. 2, line 40). The stored-value card data is configured to securely process in real time stored-value cards transacted by respective users to enable charging prepaid stored-value services and/or products to a recipient of the transacted stored-value card. Graves describes a processing step which allows for processing a “setup” card assigned to a location through each terminal at that location “to capture respective identifiers of each terminal, e.g., terminal electronic signature.” (Graves col. 2, lines 48 – 52). Graves describes an associating step which “allows for associating in each stored record the captured identifiers to uniquely match a respective stored-value card and a respective terminal.” (Graves col. 2, lines 52 – 54). And Graves describes a transmitting step which “allows for transmitting a request of stored-value card activation to the central processor from a respective requesting terminal,” where the central processor is

“configured to accept said activation request based on whether the associated identifiers for the stored-value card to be activated match identifiers actually transmitted by the requesting terminal for that stored-value card and terminal.” (Graves col. 2, lines 54 – 61). Graves Summary section in col. 3 provides further details of card activation (lines 42 – 51) and incrementing the value on the stored-value card (lines 51 – 63).

Graves’ detailed description provides further details of various embodiments of his card data management system. In col. 6, lines 25 – 48 and with reference to FIGS. 1 – 3, the activation and incrementing transactions are conducted by way of a communications network 10, and Graves provides examples including “a phone network, credit or debit card network, the Internet, an intranet, etc., over which credit or debit card transactions are authorized or denied.” An exemplary implementation is described beginning with FIGS. 6 and 7 and described in Graves beginning on col. 10, line 39. With reference to Graves’ FIGS. 6 and 7 and his discussion thereof, the central processor stores card data in records 52 and/or a data base 18 and performs a variety of functions including a first processing module 60 for processing card activation requests, a second processing module 62 for processing card value incrementing requests, and a third processing module for processing card deactivation requests. FIG. 7 is a flowchart illustrating a process for card activation. Graves further describes another exemplary embodiment (col. 11, line 65 to col. 12, line 67) which employs a web-based, ID and password protected application available to those with internet access. And Graves describes reconciliation of transactions, such as in a “major credit card network” (col. 12, line 19).

In summary, Graves' system improves the traditional stored-value card systems by providing a system and method for managing the stored-value card data. A key feature of Graves, as described in his Abstract, is the associating step which allows for associating in stored records respective identifiers to uniquely match a respective stored-value card and a respective terminal. The associating step is enabled by assigning a "setup" card to the location and capturing the terminal information when a transaction utilizing that card is made. And Graves includes a transmitting step which allows for transmitting a request of stored-value card activation to the central processor from a respective requesting terminal, where the central processor is configured to accept the activation request based on whether the associated identifiers for the stored-value card to be activated match identifiers actually transmitted by the requesting terminal for that stored-value card and terminal. And such transactions may optionally traverse the networks through which credit or debit transactions occur (Graves col. 6, lines 25 – 30) including those handling major credit cards (Graves col. 12, line 19).

And yet although Graves does improve the management of card data, Graves does not change the fundamental method in which the stored-value cards are actually used for spending the value on the card. In particular, once value is associated with the card, each card is still linked with a particular card issuer, such as that described in col. 1 of Graves. For example, the user purchases and activates a phone card to pre-purchase phone services associated with a particular card issuer, such as Verizon or Cingular or the like. The stored-value cards shown and described in Graves do not include valid charge numbers from a sponsoring bank. Instead, the cards still include an identification number or the like which is provided directly to the card issuer's system (via phone or the like) by

the user to initiate use or consumption of the services or goods. And further, the stored-value cards described in Graves include terminal identifiers specifically used in the Graves system to associate each card with a particular terminal or group of terminals for purposes of security and card management. And although the terminal identifiers may be transmitted through a charge settlement network for purposes of setup, activation, incrementing value, or deactivation, the terminal identifiers are decidedly not valid charge numbers that are acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions.

The phone card presented at the meeting by Mr. Sosa, which was provided and powered by E-2 Interactive, Inc., the Assignee of the Graves patent, does not include a valid charge number. Instead, it includes a serial number or the like used as the identification number provided to the issuing phone company (third party relative to Graves) to use the phone services in accordance with that described in Graves. Since the phone card does not include a valid charge number, it may not be used to purchase anything other than the prepaid services for which the card was intended.

In contrast, a valid charge number in accordance with Applicant's claims enables the user to access cash or conduct any purchase transactions in a similar manner as a typical debit or credit card. And yet the valid charge card is not associated with a bank account or a credit account, but instead is associated with a prepaid cash account. A purchase transaction is authorized if a cash balance of the prepaid cash account is sufficient for a purchase amount of the purchase transaction.

And furthermore, Graves' system is a card-based system in which card data is already provided on stored-value cards. In Graves, the processing, associating and

transmitting steps involve sending information via a network *from* the user *to* a central processor for processing a “setup” card. Yet Graves’ process does not show detecting a request for a valid charge number via an electronic communications network and *providing a charge number via the electronic communications network* as recited in claim 1.

Teicher does not show establishing a prepaid cash account for a user in exchange for cash, associating a valid charge number with the prepaid cash account, detecting, *via a charge settlement network*, a purchase transaction using the associated valid charge number between the user and a merchant, and authorizing the purchase transaction if a cash balance of the prepaid cash account is sufficient for a purchase amount of the purchase transaction as recited in claim 1.

The first cited portion of Teicher (col. 2, lines 6-41) concerns “brands” and “branding” associated with *charge functions*. The second cited portion of Teicher (col. 8, line 20 to col. 9, line 3) concerns electronic cash (or “e-cash”) stored in an electronic purse of a payment card or in an electronic cash drawer of a POS. In FIG. 1A of Teicher, the payment card 8 includes an electronic purse 8-1 with an e-cash balance 8-2. This is not a prepaid cash account, but instead is a cash value actually stored on the card itself. Likewise, the POS 6 includes an electronic cash drawer 6-4 which stores a cash amount. As described in Teicher (FIG. 1A and col. 11, line 28 to col. 12, line 23, FIG. 5 and col. 13, line 13 to col. 14, line 12) the payment card is a heterogeneous stored-value system including a stored cash amount on the card and a charge function 8-6 with an account ID 8-3. The e-cash balance on the payment card is used for small transactions in which e-

cash is exchanged with the POS device, and the charge function of the payment card is a credit-based function used for larger transactions.

In Teicher, if the cash balance stored on the payment card is sufficient to cover the transaction, the transaction is handled locally by an electronic purse payment unit 6-3 (col. 11, lines 55-57) and the transaction is *not handled on the charge settlement network*. If the cash balance stored on the card is not sufficient, the transaction is either rejected or a charge transaction (e.g., a credit-based transaction) is conducted rather than a cash-based transaction. In contrast, in claim 1, the purchase transaction using the associated valid charge number is detected via the charge settlement network and authorized based on the prepaid cash account. Claim 1, therefore, combines the functions of using a valid charge number with a prepaid cash account for purchase transactions conducted via the charge settlement network, which is not shown or described in Teicher.

Furthermore, the valid charge number in Teicher is provided on a card and is not provided via an electronic communications network in response to a request.

Applicant respectfully submits, therefore, that claim 1 is allowable over Graves in view of Teicher. Claims 2-3 are also allowable as depending upon claim 1. Applicant requests withdrawal of the §103 rejection of these claims.

Further with respect to claim 3, Graves in view of Teicher does not show or describe providing a valid charge number to a user via a telephonic network.

Claim 26 is allowable over Graves in view of Teicher for similar reasons as described above with respect to claim 1. Graves in view of Teicher does not show or suggest a charge number issuing and transaction system for issuing and authorizing valid charge numbers via an electronic communications network as recited in claim 26.

As noted above, claim 26 is amended for clarity to recite that each of the plurality of valid charge numbers, which are issued by an issuing bank and stored in an accounts database including at least one prepaid cash account associated with the user, is acceptable any entity that accepts valid charge numbers that are provided to and routed by a charge settlement network for validating transactions. And claim 26 further recites an issuing and transaction system which is configured to authorize a purchase transaction submitted for authorization with the selected valid charge number via the charge settlement network if a cash balance in a prepaid cash account associated with the user is sufficient to cover a purchase amount of the purchase transaction.

Graves does not employ valid charge numbers as recited in claim 26. And in Teicher, e-cash transactions are handled locally and not via the charge settlement network. If the amount is greater than the cash amount stored on the card, then Teicher employs a credit-based transaction which does not use the prepaid cash account.

And Graves in view of Teicher does not show or describe an issuing and transaction system which issues a valid charge number via the electronic communications network in response to a request by a user via the electronic communications network. The card data in Graves does not include a valid charge number. The card data is already provided on stored-value cards, and the processing, associating and transmitting steps in Graves' involve sending information via a network from the user to a central processor for processing a "setup" card. And Teicher is also a card-based system in which the charge number on the card is submitted by the user to the charge settlement network for a transaction rather than vice-versa.

It is noted that in various embodiments of Applicant's invention, after receiving the valid charge number, the user may then provide the valid charge number to a merchant for a purchase transaction or the like. However, the valid charge number was not provided via the electronic communications network (and not, therefore, provided on a card).

Thus, claim 26 is allowable over Graves in view of Teicher and claims 27-28 are allowable as depending upon claim 26. Applicant requests withdrawal of the §103 rejection of these claims.

Applicant respectfully traverses the §103(a) rejection of claims 4-12, 29, 31 and 32 based on Graves in view of Teicher and further in view of O'Leary.

O'Leary fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 4-12, 29, 31 and 32 are allowable as depending upon allowable base claims. In particular, a primary focus of O'Leary is a "push" technology (col. 7, lines 3-12) in which users "push an EFT credit from their IPA or DDA accounts to a merchant's account, without having to provide their own sensitive account information" (col. 7, lines 8-12). And the IPA or Internet Pay Anyone" and the DDA or "Demand Deposit Accounts" typically require a financial institution or the like for the consumer, such as the consumer's bank 220 in FIG. 2 of O'Leary. And O'Leary discloses an embodiment employing a credit card (see FIG. 10 and description beginning col. 27, line 47 of O'Leary), but only using the credit card and/or number ultimately supplied by the user (col. 27, lines 58-62). In other words, in this option, the user must have established credit for conducting this transaction. And further, O'Leary does not show providing a valid charge number via the electronic communications network in

response to a request by a user via the electronic communications network for a valid charge number.

And further with respect to claims 5 and 29, O’Leary does not show providing an associated valid charge number to an online merchant via the computer communications network. As described in O’Leary (col. 7, lines 8-12), O’Leary uses “push” technology in which users push an EFT credit from their account to a merchant’s account. There is no discussion of providing a valid charge number in response to a user request since a charge number, if any, originates from the user’s account.

Applicant respectfully traverses the §103(a) rejection of claims 13, 15-21 and 34-36 based on Graves in view of Teicher and O’Leary and Demoff.

Demoff fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 13, 15-21 and 34-36 are allowable as depending upon allowable base claims.

As previously argued by Applicant, Demoff is particularly directed to *issuing credit* as payment in a consumer transaction (see Abstract) and employs a processing subsystem 28 that accesses a database 32 (and/or 34?) to determine *credit status* of the requesting customer before providing authorization (col. 3, lines 43-50).” Demoff’s Abstract and list of objects and invention beginning on col. 1, line 53 to col. 2, line 59 specifies over and over again a method and/or system “*for issuing credit*.” Demoff describes two different credit-based transaction scenarios (see Demoff, col. 5, lines 43-61). First, in a preferred embodiment the vendor is registered so that the system “carries out the *credit transaction* directly with registered vendors.” The “randomly generated or unique credit transaction number would be sent to the customer *only if* the vendor is not

registered" (emphasis added). Second, for the unregistered vendor, the temporary credit transaction number is generated for that particular transaction, and "the vendor simply process (sic) the number through a conventional verification system like any other credit card number for appropriate authorization." (see Demoff, col. 6, lines 14-17). Demoff does not show or suggest a pre-paid cash account.

Further with respect to claim 13, Demoff does not show pre-certifying, by an issuing bank, a valid charge number issuer as processor for the plurality of valid charge numbers, and routing the selected one of the plurality of valid charge numbers to the issuing and transaction system. The portions of Demoff cited by the Examiner (col. 3) describe issuing a temporary credit transaction number. And as described in Demoff (col. 3, lines 53-63), these temporary credit transaction numbers are processed and validated using the "traditional channels as conventional credit card providers" rather than pre-certifying the issuing and transaction system as processor as processor and routing the charge numbers to the issuing and transaction system. For similar reasons, Graves in view of Teicher and O'Leary and Demoff does not show routing the purchase transaction information to the issuing and purchase transaction system and processing the purchase transaction information as recited in claim 16, which is also applicable to claims 17-21 which depend upon claim 16.

Applicant respectfully traverses the §103(a) rejection of claims 22-25, 37-42, and 44-48 based on Graves in view of Teicher, O'Leary, Demoff and Cohen.

Cohen fails to overcome the deficiencies of Graves in view of Teicher with respect to independent claims 1 and 26, so that claims 22-25 and 37-41 are allowable as depending upon allowable base claims. And claim 42, as noted above and in similar

fashion as claims 1 and 26, is amended to recite that each of the plurality of valid charge numbers is acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions. Applicant further submits that the only suggestion for additionally combining Cohen with Graves, Teicher, O'Leary and Demoff in this manner is Applicant's claims, which is improper hindsight.

Claim 42 is allowable over Graves in view of Teicher, O'Leary, Demoff and Cohen since none of the references alone or in combination show an issuing and transaction system including a storage device that stores a plurality of valid charge numbers issued by an issuing bank (and that are acceptable to any entity that accepts valid charge numbers that are provided to and routed by the charge settlement network for validating transactions) and that stores an accounts database including at least one prepaid cash account and a transaction system that detects requests for charge numbers via the electronic communications network, that provides a selected one of the plurality of valid charge numbers via the electronic communications network in response to the request, and that is configured to authorize a purchase transaction submitted for authorization via the charge settlement network with a selected one of the plurality of valid charge numbers if a cash balance in a prepaid cash account is sufficient to cover a purchase amount of the purchase transaction. The points have been addressed above with respect to Graves and Teicher for claims 1 and 26, and O'Leary, Demoff and Cohen fail to overcome the deficiencies of Graves and Teicher. Claims 44-48 are allowable as depending upon allowable claim 42. Applicant requests withdrawal of this rejection.

Claims 42 and 44-48 are allowable for the additional reason that Graves in view of Teicher, O'Leary, Demoff and Cohen does not show a switch network that routes any of the plurality of valid charge numbers entered into the charge settlement network to the issuing and transaction system for processing.

None of the amendments made herein were related to the statutory requirements of patentability, but instead were made for purposes of clarity and/or to remove extraneous and/or unnecessary language. Also, none of the amendments were made for the purpose of narrowing the scope of any claim.

CONCLUSION

Applicant respectfully submits that for the reasons recited above and for various other reasons, the objections and rejections have been overcome and should be withdrawn. Applicant respectfully submits therefore that the present application is in a condition for allowance and reconsideration is respectfully requested. Should this response be considered inadequate or non-responsive for any reason, or should the Examiner have any questions, comments or suggestions that would expedite the prosecution of the present case to allowance, Applicants' undersigned representative earnestly requests a telephone conference.

Respectfully submitted,

Date: August 4, 2006

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